

**Council on Virginia's Future Meeting Summary**  
**Monday, November 24, 2008**  
**House Room 3 – State Capitol**  
**Richmond, VA**

**10:00 am – 2:00 pm**

Meeting Overview: The meeting was designed to (1) provide highlights from the 2008 Virginia Report, (2) engage members in a discussion about accelerating progress on educational attainment, and (3) provide an update on the evolution of Virginia Performs.

**Opening Remarks**

- Governor Kaine welcomed new members, Senator Yvonne Miller, and Mr. Harris Miller, a gubernatorial appointment. He also welcomed the members of the Legislative Advisory Committee who were present.
- Governor Kaine stressed the value of the Council and of Virginia Performs as both a tool for managing the day-to-day operations of the Commonwealth and for providing better information to support policy and budget decision-making. He noted the role the Council played in Virginia attaining a top score in the Government Performance Project's *Grading the States 2008* report.
- The Governor reinforced the importance of the Council's deliberations on educational attainment later in the day.

**Meeting Objective 1: Highlights from the 2008 Virginia Report**

**Topic 1: Demographic Highlights**

- Highlights included:
  - According to the U.S. Census Bureau, Virginia is expected to have the 12th fastest rate of population growth between 2010 and 2030.
  - The Northern, Central, and Valley regions experienced the highest percentage population gains among Virginia's regions between 2000 and 2007. The Southside and Southwest regions lost population over that period.
  - Virginia's population is getting older. The population that is 65 or older will grow by more than 1 million between 2000 and 2030 as the last of baby boomers turn 65.
  - Virginia is also becoming more diverse, with the percentage of the population made up of minority groups rising from 32% in 2000 to 38% in 2030.
  - Virginia has relied heavily on net migration into the state. In 2000, more than 3.4 million, or 48 percent, of Virginia's 7.1 million residents were born outside of Virginia.

## Topic 2: Highlights from the 2008 Virginia Report

- A revised Scorecard at a Glance was presented. Performance trends were changed for a total of 12 indicators.
  - Three that were maintaining (high school graduation, school readiness, and solid waste and recycling) are now improving.
  - Six that were improving are now maintaining (mostly economic-related indicators).
  - One that was improving is now worsening (immunization).
  - Two that were maintaining are now worsening (health insurance and infant mortality).
- Under Governor Kaine's leadership, more outcome-oriented agency goals are being set, and the alignment between desired long-term outcomes and state performance accountability is growing. Three indicators were briefly reviewed.

### High School Graduation

- Dr. Deborah Jonas, Executive Director of Strategic Planning and Research for the Department of Education (DOE), commented on recent data trends and initiatives.
  - The state recently released a new, more accurate On-Time Graduation Rate, which accounts for student mobility in determining actual graduation rates. The new longitudinal data will also be used to develop a more precise high school dropout figure.
  - The Board of Education has approved new standards for school accreditation that will take into account graduation and completion rates. Schools will be given credit for retaining students on a track for a diploma even if they did not graduate on time.
  - High school completion rates will be easier to improve than on-time graduation. However, this will still require cooperation and change at the elementary and middle school levels.
  - DOE recently held a Dropout Summit that attracted a capacity audience of more than 500 people. DOE is helping to develop and disseminate best practices on dropout prevention and to get communities more involved. This includes getting parents and local businesses more involved.
  - DOE is participating in a pilot project to develop an 'early warning system' to target 9th graders who are most at risk for failing to graduate. If successful, a warning system for 6th graders will be developed.
  - DOE is increasing its focus on career-related credentials and has received a grant from the National Governor's Association to establish Science, Technology, Engineering, and Mathematics (STEM) centers. School districts do not need to participate in the grant program to establish a STEM center.
  - High school graduation presents a good example of the usefulness of performance data, including the availability of disaggregated and community data. The data are helping to strengthen accountability by making educators responsible for both test scores and graduation rates.

## Infant Mortality

- Dr. Karen Remley, State Health Commissioner, commented on recent data trends and initiatives.
  - Infant mortality remains a relatively ‘unseen epidemic.’ In Virginia, more than 800 babies die each year, and the rate among African Americans is twice that for white mothers.
  - The Commissioner convened an infant mortality summit in Hampton Roads that involved a wide range of groups, including the NAACP, AARP, retailers, and more. The goal was to make the community aware of the scope and nature of the issue and to help them understand their role in preventing infant deaths.
  - A task force has been assembled to address the issue and to develop and disseminate best practices across the Commonwealth.
  - It is important to get physicians involved. While doctors are doing their best for each individual patient, they need to understand and help combat the larger problem by taking a bigger role in patient education, ensuring timely action for at-risk pregnancies, and helping to prevent late-term premature births. Premature births and low birth-weight are two risk factors for infant mortality.
  - The issues are broader than medical interventions and include economic, educational, and cultural factors. However, the interrelationship among these factors is complex and not fully understood.

## Land Preservation

- The Honorable L. Preston Bryant, Secretary of Natural Resources, commented on recent data trends and initiatives.
  - The preservation of land for conservation and recreational purposes is challenging because of Virginia’s continued population growth, which increased from about 4 million in 1960 to more than 7.7 million today. Virginia is losing 60,000 acres a year to development and about 180 acres a day of Chesapeake Bay watershed.
  - By the early 2000s, Virginia was conserving about 50,000 acres a year. Governor Kaine asked that that rate be doubled to 100,000 acres a year.
  - State and federal tax credits have been important to the success of the conservation effort, as have active partnerships with a wide variety of private land preservation advocates and groups.
  - The economic slowdown will slow land development, and the state remains on track to preserve 70,000 to 80,000 acres this year.

## Meeting Objective 2: Educational Attainment in Virginia

- John Wynne, Vice Chair of the Council, opened the discussion by noting that Virginia is facing under-appreciated challenges related to educational attainment; that, whatever the approach adopted for improving outcomes, it would have to consider the return on investment to the Commonwealth’s taxpayers; and that it would take a long-term commitment to make the needed improvements for Virginia to be globally competitive.

- Virginia has been highly dependent on the growth of its technology-based sectors and is ranked fifth in terms of its future needs for degreed professionals. Current production levels will not meet future industry workforce needs.
- Dennis Jones, President of the National Center for Higher Education Management Systems, presented an overview of the current state of educational attainment in Virginia and the challenges that Virginia faces in improving those outcomes.
- Among the key findings were:
  - Even if the current positive net migration of college educated residents continued into the future, a proposition that some questioned, Virginia would need to generate an additional 159,515 degrees to reach the 55% world attainment benchmark in 2025.
  - Virginia exceeds the national average but lags the best performing state at every stage of the student pipeline.
  - Virginia ranks 6th in the percentage of its adult population aged 25-64 with a bachelor's degree or higher, but only 27th in the percentage of adults with at least a high school diploma. Virginia's high ranking for bachelor's degrees is due in part to its success in attracting highly educated professionals.
  - The younger generation is less educated in both Virginia and the U.S. The U.S. is one of only two developed countries where the younger generation is less educated on average than the older generation.
  - Educational attainment among non-Asian minorities lags attainment levels among whites. This is of particular concern because the growth in Virginia's population aged 18-64 between 2000 and 2030 is expected to come entirely from growth in minority groups.
  - To increase levels of educational attainment, Virginia will have to:
    - Fix leaks in the student pipeline, helping more students go to and complete high school and college.
    - Increase attainment among minority populations.
    - Develop regional strategies to address large disparities and to meet regional needs.
    - Align resources more clearly with attainment priorities, including increasing the differentiation among institutions and focusing strategies and resources on institutions that must make the largest contributions.
    - Use incentives more strategically to foster sharing of resources, rewarding contributions to goal achievement, and recognizing the contributions of all institutions providing post-secondary education and training.
- The Honorable Thomas Morris, Secretary of Education, commented on the presentation and the issues facing Virginia.
  - Focusing on post-secondary attainment will help clarify needed changes at the K-12 institutions.
  - Virginia was a leader in the development of the Standards of Learning and will be a leader in developing college readiness standards.
  - The current standard high school diploma is not enough to guarantee college readiness; 40% (English) to 50% (math) of freshmen with a standard diploma require remediation at college.
  - Thus, high school graduation is important, but college readiness is also critical.

- Dr. Glenn DuBois, Chancellor, Virginia Community College System (VCCS), commented on the presentation and the issues facing Virginia.
  - The community colleges suffer a 40% “casualty rate,” with 60% succeeding – usually somewhere else – in completing a degree or credential. A key goal is to increase the completion rate at the community colleges.
  - VCCS now has 25 uniform transfer agreements with 4-year institutions that, along with transfer grants, will provide incentives for more students to complete their associate’s degree at community colleges.
  - The need for remediation has not decreased over the past ten years.
  - The Career Coaches program has been a successful innovation, with an average 9.9% increase in plans to go to college. In rural areas, the rate of increase was 18%.
  - Ten percent of the workforce aged 18-64 do not have minimal work credentials. About 150,000 young adults (18-24) do not have a credential; reaching this population is a key goal in the VCCS six-year plan.
  - During regional roundtables, industry made it clear that they wanted fast track credentialing in order to fill high-priority jobs that don’t require a college education. A successful fast track program for IKEA in the Southside region was reviewed.
  - Revising the current funding formula, which was established in the 1960s, could help to increase the focus on degree completions rather than enrollment.
  - Adding full-time staff would also improve results.
- Dr. Daniel LaVista, Executive Director, State Council for Higher Education in Virginia (SCHEV), commented on the presentation and the issues facing Virginia.
  - K-12 efforts must be – and are – increasingly aligned with the requirements for higher education.
  - Emerging population groups often have issues dealing with the unfamiliar landscape of college and financial applications and other paperwork issues – many face huge information gaps.
  - Those that are most in need of financial aid appear to be key target groups for increasing educational attainment in Virginia.
  - SCHEV has been working with its education partners on a number of programs to help students learn about the importance of higher education, what it takes to get there, and how to apply for college.
  - The state share of support for a student’s college education has declined in recent years. Stable funding is needed.
  - SCHEV can make enrollment projections by institution available to the Council.

## Next Steps

The Council agreed that it would proceed with a long-term focus on educational attainment. Research will focus on developing a framework for setting tangible goals and for next steps. The focus on educational attainment will continue at the Council’s next meeting, early in 2009.

## Meeting Objective 3: Update on Virginia Performs

### Topic 1: Evolution of the Model: Accomplishments and Future Developments

- The Honorable Richard D. Brown, Secretary of Finance, presented an update on the evolution of the Virginia Performs model.
  - Among the goals for the maturation of the model include:
    - A strengthened ability to apply long-term strategies to long-term issues and monitor changes in societal outcomes.
    - Improved constancy of purpose and continuity across administrations.
    - Clearer alignment of performance measures with more key budget items and state investments.
  - Productivity measures were added during 2008 and a new, more focused set of administrative measures will replace the Management Scorecard.
  - A new “Annual Report” will provide a high-level and accessible analysis of progress and key strategic issues for the Governor and other decision-makers. Agencies will also be asked to report on progress against key objectives twice a year.
  - A new performance-based budgeting system will be developed for the Commonwealth. Six key enhancements were noted:
    - Extending the strategic planning horizon to three biennia.
    - Allowing the ranking of agency strategic priorities.
    - Enhancing program measurement and evaluation.
    - Initiating structured performance reviews.
    - Realigning base budgets to meet changing program needs and service demands.
    - Improved budgeting, cost management, and evaluation of strategic enterprise or multi-agency initiatives and programs.

### Topic 2: Accelerating Productivity Improvement

- The Honorable Aneesh P. Chopra, Secretary of Technology, presented an update on efforts to accelerate productivity improvement in state agencies.
- A Productivity Investment Fund that was established in January 2007 has drawn increasing interest from agencies and has invested \$2.3 million in a number of cost savings projects.
- Two examples cited were a “Business One Stop” portal to accelerate new company formation and a collaborative project between UVA and health practitioners in the Valley region to improve infant health care via telemedicine.
- New productivity measures will help guide investment efforts. Examples included were reducing vehicle registration and Medicaid claims processing costs.

Meeting Attendees: Governor Timothy M. Kaine; Speaker William Howell; Senator Charles J. Colgan, Sr.; Delegate Lacey Putney; Senator Yvonne Miller; Delegate H. Morgan Griffith; John O. “Dubby” Wynne; Mr. W. Heywood Fralin; Mr. Harris Miller; Dr. Edward G. Murphy; Mr. Michael Schewel; Secretary of Technology Aneesh P. Chopra; Secretary of Finance Richard Brown; Jane Kusiak, Executive Director, Council on Virginia’s Future.

Legislative Advisory Committee: Delegate Franklin Hall; Delegate Phil Hamilton; Senator Emmet Hanger; and Delegate Albert Pollard.

Panelists: Chief of Staff Wayne Turnage; Daniel Timberlake, Director, Department of Planning and Budget; Secretary of Education Thomas Morris; Secretary of Natural Resources L. Preston Bryant; Glenn DuBois, Chancellor, Virginia Community College System; Dan LaVista, Executive Director, State Council of Higher Education for Virginia; Dr. Karen Remley, State Health Commissioner; Dr. Deborah Jonas, Executive Director for Strategic Planning and Research, Virginia Department of Education.